

## Message Text

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PAGE 01 CARACA 13203 191327Z

44

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 098586

R 182208Z DEC 75  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 1291  
INFO USDOC WASHDC

C O N F I D E N T I A L CARACAS 13203

EO 11652 GDS  
TAGS: EIND BEXP VE  
SUBJ: POSSIBLE REVIVAL OF PENTACOM PETROCHEMICAL PROJECT

REF: CARACAS 4988

CAUTION: PROPRIETARY INFORMATION INVOLVED.

1. IN MEETING WITH K E CASSLETT, VICE PRESIDENT ARCO CHEMICAL (EUROPE) AND BYRON J ANDERSON, VICE PRESIDENT OF NORTHERN PETROCHEMICAL COMPANY, EMBASSY OFFICER WAS INFORMED THAT LOCAL INVESTORS BACKING PENTACOM PETRO-CHEMICAL PROJECT WILL ATTEMPT TO REVIVE SCHEME IN EARLY 1976. BOTH COMPANY REPRESENTATIVES WERE IN CARACAS AT REQUEST OF PENTACOM ORGANIZERS TO DISCUSS PROSPECTS FOR PROJECT REVIVAL. CASLETT STATED THAT MATTER WOULD BE RAISED WITH PRESIDENT CARLOS ANDRES PEREZ IN AN EFFORT TO WIN ADMINISTRATIVE SUPPORT FOR WHOLLY-OWNED PRIVATE SECTOR VENTURES IN THE PETROCHEMICAL FIELD.

2. COMMENT: THE PRESIDENT FACES A DIFFICULT DILEMMA. HE IS COMMITTED TO LARGE-SCALE DEVELOPMENT OF THE PETRO-CHEMICAL INDUSTRY, BUT THE POLITICALLY FEASIBLE ROUTE OF STATE-OWNED DEVELOPMENT OF BASIC PRODUCTION HAS HAD DISASTROUS RESULTS SO FAR AND IS NOT LIKELY TO BE ECONOMICALLY VIABLE. ON THE OTHER HAND, PRIVATE-SECTOR DEVELOPMENT OF THE PETROCHEMICAL INDUSTRY WOULD BE OPPOSED VIGOROUSLY BY OPPOSITION PARTIES AND EVEN WITHIN THE AD PARTY. PERZ WILL HAVE SOME ADDITIONAL  
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PAGE 02 CARACA 13203 191327Z

FLEXIBILITY AFTER THE OIL NATIONALIZATION ISSUE IS LAID

TO REST, BUT IT APPEARS DOUBTFUL THAT WHOLLY-OWNED  
PRIVATE SECTOR DEVELOPMENT OF BASIC PETROCHEMICAL  
PRODUCTION WILL EVER BE APPROVED. IT REMAINS TO BE SEEN  
WHETHER SOME COMPROMISE FORMULA CAN BE WORKED OUT.  
END COMMENT.

3. CAUTION: PROPRIETARY INFORMATION INVOLVED.  
SHLAUDEMANN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, CHEMICALS, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CARACA13203  
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**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750441-1005  
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**Review Date:** 15 SEP 2003  
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Margaret P. Grafeld  
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EO Systematic Review  
06 JUL 2006

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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE REVIVAL OF PENTACOM PETROCHEMICAL PROJECT  
**TAGS:** EIND, BEXP, VE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006